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COPY NO. 1

CENTRAL INTELLIGENCE AGENCY OFFICE OF CURRENT INTELLIGENCE 2 February 1955

MEMORANDUM FOR:

Deputy Director (Intelligence)

SUBJECT:

Offshore Island Situation

General

Uneasy quiet continues in the offshore islands. There are indications that the Communist military build-up for operations in the Tachens is continuing. There are press reports of small-scale air and naval clashes between Nationalist and Communist forces.

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Tachens

There are continued reports that evacuation of the Tachens has been delayed. Reasons assigned for the hold-up in operations have been (1) Nationalist demands for a guarantee of Matsu and Quemoy; (2) incomplete last-minute preparations by US 7th Fleet; and (3) debate in the UN over cease-fire proposals. Other reports indicate that the Nationalist garrison commander in the Tachens has evacuated the majority of his men from Upper Tachen to Lower Tachen, in order to escape Communist artillery bombardment of Upper Tachen. The reported move could also be a preliminary step in executing a withdrawal from the Tachens.

Matsus

Negative.

Quemoys

Negative.

PACOM Review Completed

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Cease-Fire Prospects

Peiping Radio takes notes of inclusion on UN agenda of both New Zealand item proposing discussion of hostilities and loaded Soviet item proposing discussion of US "aggression." Peiping gives no clue as to whether it will accept invitation to discuss New Zealand item. It makes little practical difference which item Peiping discusses, as the Chinese Communist position would be the same for either. We continue to believe that, whether Peiping attends the UNSC debate or not, the prospects are poor for an early cease-fire.

HUNTINGTON D. SHELDON Assistant Director, Current Intelligence

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